

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 330, Page 20, Section 338.200, Line 35,
2 by inserting immediately after said line the following:

3
4 "339.900. As used in sections 339.900 to 339.939, the following terms mean:

5 (1) "Apprentice home inspector", an individual who desires to perform home inspections as
6 an apprentice and complies with the apprenticeship rules established by the board;

7 (2) "Board", the Missouri home inspectors board;

8 (3) "Client", a person or persons who engage the services of a licensed home inspector to
9 perform a home inspection by paying the inspection fee and approving the inspection agreement;

10 (4) "Component", a part of a system, as defined in this section;

11 (5) "Division", the division of professional registration;

12 (6) "Home inspection", the process by which a home inspector, for payment, visually
13 examines the readily accessible systems and components of a residential building and describes such
14 systems in writing in accordance with the standards of practice established by the board;

15 (7) "Home inspection report", a written report on the home inspection to standards defined
16 by the board;

17 (8) "Home inspector", an individual who is retained to perform a home inspection for
18 compensation;

19 (9) "Home inspector apprentice supervisor", an individual who is a licensed home inspector
20 and is approved by the board to supervise home inspector apprentices;

21 (10) "Readily accessible", available for visual inspection without requiring the movement of
22 personal property, dismantling, destructive measures, or any action in the opinion of the inspector
23 that would likely involve risk of injury to the state-licensed inspector, another person, or property;

24 (11) "Residential building", a structure of one to four dwelling units;

25 (12) "State-licensed home inspector", an individual licensed by the board under sections
26 339.900 to 339.939;

27 (13) "System", a combination of interacting or interdependent components, as defined by the
28 board, assembled to carry out one or more functions.

29 339.903. 1. No person shall act as a home inspector, directly or indirectly engage or assume
30 to engage in the business of home inspection, or advertise or hold himself or herself out as engaging
31 in or conducting such business without first obtaining a license issued by the board as provided in
32 sections 339.900 to 339.939.

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2. No license shall be issued under sections 339.900 to 339.939 to a partnership, association, corporation, firm, LLC or group.

3. Any person who is not a state-licensed home inspector under sections 339.900 to 339.939 may assist a state-licensed home inspector in the performance of a home inspection provided that the person is personally supervised by a state-licensed home inspector and any home inspection report rendered in connection with the home inspection is reviewed and signed by the state-licensed home inspector.

4. The provisions of sections 339.900 to 339.939 shall not be construed to require a license for:

(1) Any person, partnership, association, or corporation, or employee thereof, who as owner performs inspections of residential property owned by such person, partnership, association, or corporation;

(2) Any employee of a political subdivision, state, or federal agency who performs inspection services within the scope of his or her employment;

(3) Any person providing the inspection of two or fewer of the following components or systems in a residential building: heating system, cooling system, electrical system, plumbing system, foundation, siding, roofing, masonry chimney, or the structural frame or other essential components or systems of a residential dwelling;

(4) A real estate broker, real estate salesperson, real estate appraiser, architect, or engineer acting within the scope of his or her license;

(5) Any person acting on behalf of the Federal Housing Administration (FHA) in the capacity of an approved FHA fee inspector;

(6) Any person employed by or acting on behalf of a licensed insurance company doing business in this state; and

(7) Any person employed or retained by a residential home builder to inspect or provide warranty services for such home builder with respect to any home built by such builder.

5. A home inspection shall not be construed to include:

(1) A compliance inspection for any code or government regulation; or

(2) An examination for, including but not limited to, the conditions and operation of kitchen-type appliances; laundry equipment; onsite water supplies or wells; private waste systems; irrigation systems; fire suppression systems; swimming pools and heaters; hot tubs, saunas, or spas; exterior cooking equipment; low voltage systems; the determination of the presence of wood-destroying organisms or pests; the determination of the presence of fungi, mold, bacteria, asbestos, lead-based paint, gases or conditions of air quality, acoustics and other components or conditions as identified by the board.

339.906. 1. There is hereby created within the division of professional registration the "Missouri Home Inspectors Board", which shall consist of five members appointed by the governor with the advice and consent of the senate. Each member shall be a citizen of the United States, a resident of this state, and a registered voter for a period of one year prior to the person's appointment. Four members shall be licensed home inspectors, and one member shall be a public member. The public member or his or her spouse shall have never been engaged in the businesses of home

1 inspections, real estate appraisal, real estate sales, or making loans secured by real estate. The board
2 shall elect from its membership a president and vice president each of whom shall be elected at the
3 times, and serve for the terms, as are determined by the board.

4 2. The home inspector members initially appointed by the governor shall have home
5 inspection experience in the state of Missouri for not less than five years preceding their initial
6 appointment, have completed at least one thousand home inspections for compensation, and be
7 members in good standing of a nationally recognized home inspector association requiring
8 psychometrically valid and legally defensible examination. The governor shall not exclude a
9 state-licensed home inspector from appointment as a successor inspector member of the board by
10 virtue of membership or lack of membership in any particular home inspector association.

11 3. Of the initial members appointed, two members shall be appointed for two-year terms,
12 two members for three-year terms, and one member for a four-year term. All successor members
13 shall be appointed for four-year terms. All members shall serve until their successors have been
14 appointed and qualified. Vacancies occurring in the membership of the board for any reason shall be
15 filled by appointment by the governor for the unexpired term. The governor may remove a member
16 for cause. An executive director for the board shall be employed by the division of professional
17 registration.

18 4. The board shall meet at least once a year to conduct its business. The board may hold
19 such additional meetings as may be required in the performance of its duties. A quorum of the board
20 shall consist of a majority of its voting members.

21 5. Each member of the board shall be entitled to a per diem allowance of up to seventy
22 dollars for each meeting day or part of a day of the board at which the member is present and shall be
23 entitled to reimbursement of the member's actual and necessary expenses incurred in the discharge of
24 the member's official duties.

25 339.909. 1. The board shall have the following powers and duties and shall adopt rules in
26 accordance with the provisions of chapter 536 to establish:

27 (1) Qualifications for the licensing of home inspectors as the board deems necessary for the
28 public interest;

29 (2) Rules which prescribe and define the curriculum related to home inspection that will
30 satisfy the qualification requirements for licensure;

31 (3) Approved courses of instruction that prescribe and define the curriculum related to home
32 inspection that will satisfy the qualification requirements for licensure;

33 (4) Rules describing the minimum uniform standards of practice for a home inspection;

34 (5) Rules establishing the criteria for the supervision and training of home inspector
35 apprentices;

36 (6) An application process and administrative procedures for processing applications, issuing
37 home inspector licenses, and conducting disciplinary proceedings under the provisions of sections
38 339.900 to 339.939;

39 (7) Procedures by which the board may issue a license on a reciprocal basis with other states
40 without examination to a nonresident who is licensed or certified and in good standing in another
41 state under standards that are substantially equal to those established by the board and in sections

1 339.900 to 339.939;

2 (8) Standards related to acceptable knowledge and competence necessary to perform
3 inspections of residential real estate as required by sections 339.900 to 339.939;

4 (9) Standards of professional and ethical conduct for home inspectors;

5 (10) Continuing education requirements for the renewal of licensure that will meet the
6 requirements of sections 339.900 to 339.939;

7 (11) Rules which define systems and items that are outside the scope of a home inspection
8 and which are not otherwise included in sections 339.900 to 339.939; and

9 (12) Reasonable rules as deemed necessary or desirable by the board to carry out and enforce
10 the provisions of sections 339.900 to 339.939.

11 2. The board:

12 (1) Shall prescribe the form and content of examinations to determine the qualifications of
13 persons who apply for licenses to engage in home inspection;

14 (2) Shall establish a list of approved education program providers and may approve courses
15 of instruction in an accredited college or university related to the inspection of homes and such other
16 areas deemed relevant by the board;

17 (3) May contract with a testing service to provide and conduct such examinations;

18 (4) Shall have authority to determine who meets the criteria for licensure;

19 (5) Shall investigate to verify such applicant's qualifications. If the results of the
20 investigation are satisfactory to the board and the applicant is otherwise qualified, the board shall
21 issue to the applicant a license authorizing the applicant to act as a state-licensed home inspector in
22 Missouri;

23 (6) Shall set the amount of fees authorized by sections 339.900 to 339.939 and required by
24 rules promulgated under section 536.021. The fees shall be set at a level to produce revenue that
25 does not substantially exceed the cost and expense of administering this chapter; and

26 (7) Shall perform such other functions and duties as may be necessary to carry out the
27 provisions of sections 339.900 to 339.939.

28 3. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
29 under the authority delegated in this section shall become effective only if it complies with and is
30 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
31 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to
32 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
33 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
34 January 1, 2015, shall be invalid and void.

35 339.912. 1. There is hereby created in the state treasury the "Missouri Home Inspectors
36 Fund", which shall consist of moneys collected under sections 339.900 to 339.939. The fund shall
37 be administered by the division of professional registration, which shall collect and transfer the fees
38 authorized in sections 339.900 to 339.939 to the director of revenue for deposit into the fund.
39 Moneys in the fund shall be used solely for the purposes of the Missouri home inspectors board as
40 authorized in sections 339.900 to 339.939.

41 2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining

1 in the fund at the end of the biennium shall not revert to the credit of the general revenue fund until
2 the amount in the fund at the end of the biennium exceeds either two times the amount of the
3 appropriation from the board's funds for the preceding fiscal year or, if the board requires by rule
4 permit renewal less frequently than yearly, three times the appropriation from the board's fund for
5 the preceding fiscal year. The amount, if any, in the fund which shall lapse is that amount in the fund
6 which exceeds the appropriate multiple of the appropriations from the board's funds for the
7 preceding fiscal year.

8 339.915. 1. Applications for licensure as a home inspector shall be submitted to the board
9 on forms prescribed by the board and furnished to the applicant. The application shall contain the
10 applicant's statements showing the applicant's education, experience and such other information as
11 the board may require. Each application shall contain a statement that it is made under oath or
12 affirmation and that the information contained therein is true and correct to the best knowledge and
13 belief of the applicant, subject to the penalties provided for the making of a false affidavit or
14 declaration. Each application shall be accompanied by the fees required by the board.

15 2. Each applicant for licensure shall:

16 (1) Demonstrate the knowledge and competence necessary to perform inspections of
17 residential real estate as prescribed by rule;

18 (2) Be of good moral character;

19 (3) Have successfully completed a board-approved training program of at least eighty
20 classroom hours, a board-approved apprenticeship program, or a board-approved program consisting
21 of a combination of classroom hours and apprenticeship field training hours;

22 (4) Have passed an examination approved by the board; and

23 (5) Pay the appropriate fee set by the board.

24 3. If an applicant is not licensed within three years after passing an examination given under
25 sections 339.900 to 339.939, the applicant shall be required to retake the examination prior to state
26 licensure.

27 4. An applicant who fails an examination taken under sections 339.900 to 339.939 may
28 apply for reexamination as specified by board rule.

29 339.918. 1. Any person desiring to practice as an apprentice home inspector in this state
30 shall apply to the board, pay the appropriate fee and comply with the apprenticeship rules established
31 by the board. A home inspector apprentice license shall be issued by the board prior to the
32 individual beginning the apprenticeship program. To satisfy requirements for licensure, the
33 apprentice home inspector shall complete fifty home inspections under the direct supervision of a
34 licensed home inspector apprentice supervisor and comply with other criteria determined by the
35 board.

36 2. Any person desiring to act as a home inspector apprentice supervisor shall have completed
37 five hundred inspections for compensation, hold a current license with the board, apply to the board
38 for approval and be granted a supervisor license, and pay the appropriate fee. A home inspector
39 apprentice supervisor license is required prior to supervising apprentice home inspectors.

40 339.921. 1. The division shall mail a renewal notice to the last known address of each
41 licensee prior to the renewal date. Failure to provide the board with the information required for

1 renewal or to pay the renewal fee after such notice shall result in the license expiring. The license
2 shall be reinstated if, within two years of the renewal date, the applicant submits the required
3 documentation and pays the applicable fees as approved by the board.

4 2. A new license to replace any lost, destroyed or mutilated license may be issued subject to
5 the rules of the board.

6 3. The board is authorized to issue an inactive license to any licensee who applies for such
7 license on a form provided by the board and remits the fee for an inactive license established by the
8 board. An inactive license may be issued only to a person who has previously been issued a license
9 to practice as a home inspector in this state, who is no longer regularly engaged in such practice, and
10 who does not hold himself or herself out to the public as being professionally engaged in such
11 practice in this state. Each inactive license shall be subject to all provisions of sections 339.900 to
12 339.939, except as otherwise specifically provided. Each inactive license may be renewed by the
13 board subject to all provisions of this section and all other provisions of sections 339.900 to 339.939.
14 An inactive licensee may apply for a license to regularly engage in the practice of home inspection
15 upon filing a written application on a form provided by the board, submitting the reactivation fee
16 established by the board, and submitting satisfactory proof of current competency as established by
17 the board.

18 339.924. 1. Each educational provider shall apply for approval each calendar year and shall
19 record all attendance and satisfactory results for each program attendee.

20 2. In adopting rules under this section, the board shall approve courses of instruction,
21 seminars, and other home inspection education courses and programs previously or hereafter
22 developed by, or under the auspices of, professional home inspection associations and utilized by
23 those associations for purposes of designation and renewal of certification of members of the
24 association.

25 3. For purposes of licensure or renewal of licensure, the board shall establish or approve
26 credit for education which may include courses of instruction, programs, teaching, program
27 development, and preparation of textbooks, articles, or other instructional materials.

28 339.927. 1. The board may refuse to issue or renew any license issued under sections
29 339.900 to 339.939 for one or any combination of causes stated in subsection 2 of this section. The
30 board shall notify the applicant in writing of the reasons for the refusal and shall advise the applicant
31 of the right to file a complaint with the administrative hearing commission as provided by chapter
32 621.

33 2. The board may cause a complaint to be filed with the administrative hearing commission
34 as provided by chapter 621 against any state-licensed home inspector or any person who has failed to
35 renew or has surrendered his or her license for any one or any combination of the following causes:

36 (1) Procuring or attempting to procure a license under section 339.915 by making a false
37 statement, submitting false information, refusing to provide complete information in response to a
38 question in an application for licensure, or through any form of fraud or misrepresentation;

39 (2) Failing to meet the minimum qualifications for licensure or renewal established by
40 sections 339.900 to 339.939;

41 (3) Paying money or other valuable consideration, other than as provided for by section

339.915, to any member or employee of the board to procure a license under sections 339.900 to 339.939;

(4) The person has been finally adjudicated and found guilty, or entered a plea of guilty or nolo contendere, in a criminal prosecution under the laws of any state or the United States for any offense reasonably related to the qualifications, functions, or duties of any profession licensed or regulated under sections 339.900 to 339.939, of which an essential element is fraud, dishonesty, sexual misconduct, or an act of violence, regardless of the imposition of sentence;

(5) Incompetence, misconduct, dishonesty, fraud, or misrepresentation in the performance of the functions or duties of any profession licensed or regulated by sections 339.900 to 339.939;

(6) Failing to follow the minimum uniform standards of practice for a home inspection established by the board;

(7) Violating or assisting or enabling any person to willfully disregard any of the provisions of sections 339.900 to 339.939 or the rules of the board for the administration and enforcement of the provisions of sections 339.900 to 339.939;

(8) Accepting an inspection assignment when the employment itself is contingent upon the state-licensed home inspector's reporting a predetermined analysis or opinion or if the fee to be paid for the performance of the home inspection is contingent upon the opinion or conclusion reached or upon the consequences resulting from the home inspection;

(9) Violating the confidential nature of records to which the person gained access through employment or engagement to perform a home inspection;

(10) Violating any term or condition of a license issued by the board under the authority of sections 339.900 to 339.939;

(11) Violating any professional trust or confidence;

(12) Obtaining or attempting to obtain any fee, charge, tuition, or other compensation by fraud, deception, or misrepresentation;

(13) Using any advertisement or solicitation which is false, misleading, or deceptive to either the general public or persons to whom the advertisement or solicitation is primarily directed;

(14) Disciplinary action taken against the holder of a license or other right to practice any profession regulated under sections 339.900 to 339.939, or similar professions, imposed by another state, territory, federal agency, or country upon grounds for which revocation or suspension is authorized in this state.

3. After the filing of such complaint, the proceedings shall be conducted in accordance with the provisions of chapter 621. Upon a finding by the administrative hearing commission that the grounds provided in subsection 2 of this section for disciplinary action are met, the board may, singly or in combination, publicly censure or place the person named in the complaint on probation on such terms and conditions as the board deems appropriate for a period not to exceed five years, suspend the license for a period not to exceed three years, or revoke the license. The holder of a license revoked under this section shall not apply for licensure as a state-licensed home inspector or apprentice for at least five years after the date of revocation.

4. Applicants for relicensure or reinstatement after revocation shall be required to successfully complete the examination for original licensure required by section 339.915 as a

1 condition to reinstatement of licensure or relicensure subsequent to revocation.

2 339.930. State-licensed home inspectors shall retain originals or true copies of contracts
3 engaging an inspector's services for inspector assignments, inspection reports, and supporting data
4 assembled and formulated in preparing inspection reports for three years and a day. The service
5 period for retention of the records applicable to each engagement of the services of the state-licensed
6 home inspector shall begin on the date of the home inspection report. Such records shall be made
7 available by the state-licensed home inspector for inspection and copying by the board on reasonable
8 notice to the state-licensed home inspector.

9 339.933. 1. Except as provided in subsection 2 of this section, sections 339.900 to 339.939
10 shall preempt any rule, regulation, or order adopted by a political subdivision of the state relating to
11 the licensing or regulation of home inspectors or home inspection businesses.

12 2. Under section 324.016, no new licensing activity or other statutory requirements shall
13 become effective until expenditures or personnel are specifically appropriated for the purpose of
14 conducting the business as required and the initial rules filed, if appropriate, have become effective.

15 339.936. Prior to January 1, 2015, the education, training, and experience requirements of
16 sections 339.900 to 339.939 shall be deemed established if the applicant:

17 (1) Has been a home inspector for two years prior to January 1, 2015;

18 (2) Has passed a psychometrically valid and legally defensible proctored home inspection
19 examination; and

20 (3) Provides evidence of completing one hundred home inspection reports for which the
21 individual was paid and can produce invoices for verification.

22 339.939. 1. An action to recover damages for any act or omission of a home inspector
23 relating to a home inspection that he or she conducts shall only be commenced within one year after
24 the date of the inspection report.

25 2. Any person or corporation who knowingly violates any provision of sections 339.900 to
26 339.939 is guilty of a class B misdemeanor. Any officer or agent of a corporation, or member or
27 agent of a partnership or association, LLC, or group, who knowingly and personally participates in
28 or is an accessory to any violation of sections 339.900 to 339.939 is guilty of a class B misdemeanor.
29 This section shall not be construed to release any person from civil liability or criminal prosecution
30 under any other law of this state. The board may cause a complaint to be filed for a violation of
31 section 339.903 in any court of competent jurisdiction, and perform such other acts as may be
32 necessary to enforce the provisions of sections 339.900 to 339.939.

33 Section B. Sections 339.900 through 339.939 of section A of this act shall become effective
34 January 1, 2015.

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37 Further amend said bill by amending the title, enacting clause, and intersectional references
38 accordingly.